

**Section 3.8  
Balances and Reserves**

1. The financial strategy states that balances will be maintained at a level commensurate with identified risks, based on an annual risk assessment, subject to a minimum of 2.5% of gross expenditure (excluding schools). The risk assessment for 2015/16 is set out at section 3.8.1.
2. The latest financial monitoring report to Cabinet in February 2015 shows the 2014/15 forecast position on balances as £17.5m. This estimated year-end balance is expected to be maintained at the same level over the medium term as set out in section 3.8.2.
3. The Council's reserves have been reviewed as part of the service and resource planning process. The summary of the planned use of reserves over the medium term set out in section 3.8.2 shows the forecast falling from £87.9m at the start of 2015/16 to £38.4m by the end of 2017/18, of which £2.2m relates to schools.